

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AID-05 CIAE-00 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 /084 W
-----081453Z 095419 /44

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8964

USDOC WASHDC

INFO USMISSION GENEVA

UNCLAS BUENOS AIRES 1005

PASS TREASURY & EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, ETRD, AR

SUBJECT: LATEST CHANGES IN ARGENTINE IMPORT AND EXPORT
REGIMES

REF: A) BUENOS AIRES 758, B) 76 BUENOS AIRES 4636, C) 76
BUENOS AIRES 8385, D) 76 BUENOS AIRES 3700, E) 76 BUENOS AIRES
4715, F) 76 BUENOS AIRES A-129

1. AS THE FOREIGN EXCHANGE POSITION OF ARGENTINA HAS IMPROVED
(REFTEL A), THE GOA HAS CONTINUED TO TAKE MEASURES TO ACHIEVE
"PROGRESSIVE LIBERALIZATION" OF FOREIGN TRANSACTIONS.

2. CAPITAL GOODS IMPORTS - R.C. 672:
ON DECEMBER 31, 1976, CENTRAL BANK IN R.C. 672 INCREASED TO
US\$25,000 CAPITAL GOODS IMPORTS EXEMPTED FROM THE FINANCIAL
REQUIREMENTS OF R.C.641 (SEE REFTEL B), THEREBY AUTORIZING CASH
PAYMENT IN ACCORDANCE WITH GENERAL IMPORT REGIME, AS DESCRIBED
BELOW. PREVIOUS LIMIT:US\$10,000 UNDER R.C. 668, DATED NOVEMBER
25, 1976 (SEE PARA., 5 REFTL C).

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3. GENERAL IMPORTS - R.C. 678:
MEASURES RELATED TO THE GENERAL IMPORT REGIME ARE CONTAINED
IN CENTRAL BANK CIRCULAR R.C. 678, DATED JANUARY 27, 1977.
KEY PROVISION IS TO AUTHORIZE PAYMENT IN CASH AGAINST
DOCUMENTS ON IMPORTS UP TO US\$25,000. FOR IMPORTS EXCEEDING
THIS AMOUNT, LIMIT ON CASH PAYMENT IS RAISED TO 75 PERCENT,
THUS REDUCING FOREIGN EXCHANGE EXPOSURE FOR IMPORTERS.

REMAINDER MUST BE INVESTED IN 180 DAYS FOREIGN INVESTMENT BONDS AS REQUIRED UNDER R.C. 632 (PARA, 3, REFTEL D). (PREVIOUS LIMIT FOR CASH PAYMENT WAS 50 PERCENT. GOA HAS PROGRESSIVELY INCREASED THE PERCENTAGE OF THE FOB VALUE PAYABLE IN CASH SINCE AUGUST 1976 WHEN RATE STOOD AT 15 PERCENT CASH PAYMENT). COMMERCIAL BANK SOURCES CONSULATED FEEL THAT MOST IMPORTS OF RAW MATERIALS, SEMI-FINISHED PRODUCTS AND CONSUMER GOODS WILL FALL WITHIN THE US\$25,000 LIMIT, THUS ALLOWING CASH PAYMENT ON MOST TRANSACTIONS.

4. OTHER PROVISIONS FOR IMPORTS - R.C. 678:

OTHER MEASURES UNDER R.C. 678 INCLUDE AUTHORIZATION TO BANKS 1) TO MAKE PAYMENT IN ANY FOREIGN CURRENCY, (PREVIOUSLY PAYMENT IN US DOLLARS WAS REQUIRED. THUS, IMPORTERS ARE ALLOWED MINIMIZE DOLLAR EXPOSURE AGAINST OTHER HARD CURRENCY (I.E. GERMAN MARK); 2) TO PAY FOR MERCHANDISE LOST IN SHIPMENT, PROVIDED ADEQUATE PROOF IS PRESENTED; 3) TO HONOR DRAFTS ON LETTERS OF CREDIT 10 DAYS BEFORE DUE TO (180 DAYS) AND ANYTIME THEREAFTER (PREVIOUSLY PAYMENT REQUIRED WITHIN 3 DAYS BEFORE AND 5 DAYS AFTER); 4) TO EXTEND TERM OF EXPIRING LETTERS OF CREDIT; 5) TO EXCEPT TEMPORARY IMPORTS OF CAPITAL GOODS FROM FINANCIAL REQUIREMENTS OF R.C. 641.

5. FINANCIAL LOANS - R.C. 680:

EXCEPT FOR LOANS BETWEEN A FOREIGN COMPANY AND A DIRECTLY OR INDIRECTLY CONTROLLED LOCAL AFFILIATE DEFINED AS A "LOCAL COMPANY OF FOREIGN CAPITAL" (SEE PARA. 1, ARTICLE 20, FOREIGN INVESTMENT LAW 21382 IN REFTEL. F), CIRCULAR RC 680 UNCLASSIFIED

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NILLINGIES REQUIREMENT OF CENTRAL BANK PRIOR APPROVAL FOR FOREIGN LOANS TO ARGENTINA, AS ESTABLISHED BY R.C. 642 (SEE PARA. 1, REFTEL E). HOWEVER, ON ALL LOANS, A MINIMUM TERM OF 180 DAYS AT AN INTEREST RATE CEILING SPECIFIED BY THE CENTRAL BANK IS STILL REQUIRED. IN ADDITION, GHE CENTRAL BANK IS STILL REQUIRED. IN ADDITION, THE CENTRAL BANK MUST STILL BE INFORMED OF ANY EXTERNAL LOAN OPERATION, INCLUDING REFINANCING, WITH THE MATURITY DATE SPECIFIED IN EACH CASE.

6. DOLLAR EARNINGS - R.C. 681:

R.C. 681 LIFTED THE OBLIGATION OF ARGENTINE RESIDENTS TO CONVERT TO LOCAL CURRENCY ALL DOLLAR PROFITS.

7. OTHER FOREIGN CURRENCY PURCHASES - R.C. 679:

R.C. 679 LIBERALIZES THE SALE OF FOREIGN EXCHANGE FOR:
A) RETIREMENT CONTRIBUTIONS ABROAD; B) INHERITANCE REMITTANCES AUTHORIZED BY THE COURTS; C) COMMERCIAL REPRESENTATION ABROAD; D) TOURIST AND BUSINESS TRAVEL; E) MEDICAL TREAT-

MENT ABROAD UP TO \$5,000 PER PERSON; F) SUBSCRIPTION
TO NEWSPAPERS AND MAGAZINES; G) SCHOLARSHIP EXPENSES UP
TO \$1,000 PER MONTH; H) FAMILY REMITTANCES UP TO \$500
PER MONTH, ETC.

8. ON THE EXPORT SIDE, EXCEPT FOR A FEW TECHNICAL PROVISIONS,
NEW REGULATIONS DO NOT PROVIDE FOR ANY SUBSTANTIAL CHANGE
IN THE EXPORT REGIME.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE CONTROLS, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770044-0940
Format: TEL
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770268/aaaachum.tel
Line Count: 125
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Secure: OPEN
Status: NATIVE
Subject: LATEST CHANGES IN ARGENTINE IMPORT AND EXPORT REGIMES
TAGS: EFIN, ETRD, AR, US
To: STATE COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/41db0fcb-c288-dd11-92da-001cc4696bcc
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